

To:

School-Based  
Services  
Providers

HMOs and Other  
Managed Care  
Programs

## Changes to the School-Based Services Benefit

As a result of requirements imposed by the federal Centers for Medicare and Medicaid Services, Wisconsin Medicaid is making changes to the school-based services benefit. This *Wisconsin Medicaid and BadgerCare Update* provides information on the following changes:

- A new cost reporting system and a revised Medicaid Administrative Claiming/School-Based Services time study that will be detailed in future *Updates*.
- A revised terms of reimbursement, effective for dates of service (DOS) on and after July 1, 2006.
- New requirements for psychology, social work, and counseling services, effective for DOS on and after January 1, 2007.
- New requirements for providers of speech and language pathology services, effective for DOS on and after January 1, 2007.
- Discontinued coverage of durable medical equipment in schools, effective for DOS on and after January 1, 2007.

### Preview of Cost Report and Medicaid Administrative Claiming/School-Based Services Time Study

Based on federal Centers for Medicare and Medicaid Services (CMS) guidelines, Wisconsin Medicaid will require school-based services (SBS) providers to complete a cost report. Randomly selected staff will be required to

participate in Medicaid Administrative Claiming (MAC)/School-Based Services time studies. Based on CMS guidelines, school districts will be required to:

- Submit cost reports after the close of the school year.
- Have staff complete MAC/SBS time studies developed by the Department of Health and Family Services (DHFS) to provide information for each cost report. The time study is used to estimate the average percentage of time personnel spend performing educational and SBS medical activities and to provide documentation for administrative claiming.
- Identify, for certain personnel classifications such as special education teachers and secretaries, those employees who are expected to perform school-based services. The DHFS will send districts a list of their employees prior to each time study period and the districts must indicate whether or not each employee is expected to perform school-based services. Wisconsin Medicaid will use the list of employees to select the time study participants for the time study period.
- Cost settle their SBS reimbursement based on their cost report. Some districts will receive additional money and others will be required to return funds so that no district is paid more than its costs.

*Note:* School districts should continue to submit claims for all Medicaid services to receive interim payments and document the services that were provided.

To ensure that accurate information is obtained, the CMS will require Wisconsin to achieve an *85 percent statewide response rate* on the time study. This response rate is needed for the time study to be statistically valid. If the 85 percent response rate is not achieved, CMS guidelines require the DHFS to code all non-responses as having spent zero time performing MAC activities and school-based services.

Failure of providers to respond to time study requests will decrease Wisconsin's response rate and reduce federal funding of MAC and SBS payments statewide. Therefore, it is critical that SBS/MAC providers participate and return the time studies to ensure that an 85 percent response rate is achieved. Wisconsin has adopted this statewide time study because it reduces the number of time studies that school staff must complete.

It is anticipated that the CMS will be performing audits of the SBS benefit. Therefore, all documentation in the cost report and time study must be complete and accurate to assure full compliance in the event of an audit. Supporting documentation must be maintained to support all claims and time study activity.

Further information about the cost report and MAC/SBS time study will be issued in future *Wisconsin Medicaid and BadgerCare Updates*.

### **Revised Terms of Reimbursement**

Effective for dates of service (DOS) on and after July 1, 2006, Wisconsin Medicaid is changing the terms of reimbursement (TOR)

for SBS providers per CMS requirements. The revised TOR reflects the new cost reporting and cost settlement requirements. Refer to the Attachment of this *Update* for the new TOR; this replaces the TOR in the current School-Based Services Certification Packet.

### **Requirements for Counseling, Social Work, and Psychological Services**

Effective for DOS on and after January 1, 2007, to be Medicaid covered as school-based services, counseling, social work, and psychological services must have been ordered or recommended by a physician or other licensed practitioner with the authority to do so under his or her state license.

Counseling and social work services must be performed by a licensed Department of Public Instruction (DPI) counselor or social worker. Psychological services must be performed by a licensed DPI school psychologist.

### **Speech and Language Pathology Provider Qualifications**

Effective for DOS on and after January 1, 2007, Medicaid reimbursement is available for speech and language pathology services only if provided by or under the direction of a practitioner who has completed the educational requirements and the work experience necessary for the American Speech-Language-Hearing Association certificate, and has passed the PRAXIS exam in speech-language pathology.

### **Durable Medical Equipment**

Effective for DOS on and after January 1, 2007, Wisconsin Medicaid will no longer reimburse for durable medical equipment (DME) under the SBS benefit. Historically, virtually no DME has been claimed under the SBS benefit because children can obtain DME from their HMO or fee-for-service provider.

To ensure that accurate information is obtained, the CMS will require Wisconsin to achieve an *85 percent statewide response rate* on the time study.

## **Information Regarding Medicaid HMOs**

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. School-Based Services are not included in the HMO capitation rate; therefore, school-based services are delivered to all Medicaid recipients under fee-for-service.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

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# ATTACHMENT

## School-Based Services Terms of Reimbursement

(A copy of the "School-Based Services Terms of Reimbursement"  
is located on the following page.)



Jim Doyle  
Governor

Helene Nelson  
Secretary

**State of Wisconsin**  
Department of Health and Family Services

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**SCHOOL-BASED SERVICES  
TERMS OF REIMBURSEMENT**

The Wisconsin Medicaid program pays each Wisconsin local educational agency (LEA), including any school district or Cooperative Educational Service Agency (CESA) sixty percent of the federal Medicaid share (federal financial participation- FFP) of allowable service and administrative costs the LEA incurs in providing certain school-based medical services (SBS) to Medicaid-eligible students who receive special education services under the Individuals with Disabilities Education Act (IDEA).

Wisconsin Medicaid pays interim rates for all covered SBS services provided by LEAs certified by Wisconsin Medicaid as SBS providers to Wisconsin Medicaid recipients eligible on the date of service.

Each SBS provider is required to document the total allowable cost it has incurred for all SBS services using a cost report developed by Wisconsin Medicaid. As required by the federal Centers for Medicare and Medicaid Services (CMS), SBS providers must certify these documented SBS costs by submitting an annual Certification of Public Expenditures (CPE) cost report form developed by Wisconsin Medicaid for each state fiscal year. Certifying expenditures is necessary for the SBS provider to qualify for FFP provided by the state. To be eligible for FFP, the non-federal share of the certified expenditures must be non-federally funded by state aid and local taxes.

After the SBS provider submits the CPE cost report form, Wisconsin Medicaid reconciles interim payment to cost by recovering overpayments or making additional payments, adjusting the interim payment to 60% of FFP for total allowable cost. Some LEAs may receive an increase in reconciliation funding and other LEAs may see a decrease. Total Medicaid payment reimbursement cannot exceed 60% of FFP for the total allowable cost for an individual SBS provider.

Applicable Provider Type(s): 56

Effective: July 1, 2006

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